

H EU Report

Europe



MAY 2022



ANALYSIS OF HOTEL RESULTS – MAY 2022

The European hotel industry takes off

Summer is coming and Europe is rejoicing. After many years on a drip, the European hotel industry is finally starting to walk on her own : performance records in France (+20% RevPAR), positive figures in Southern Europe, and even countries that were previously lagging behind, such as Germany and the Netherlands, are waking up.

Public holidays, a favourable period for trade fairs and professional events, good weather... In May, nothing was missing for the European hotel industry to post a RevPAR higher than before the crisis with a growth of +7.3%. The average price, which was already higher than in 2019 recently, is now €82.4, it is to say +12.5% higher than in May 2019, and the European occupancy rate is now only 3.4 points below its pre-Covid standards.

It is in the South & Western Europe that the results are the best: France (+19.6%), Italy (+8.7%), Spain (+3.4%), the United Kingdom (+2.1%) and Greece are now showing positive levels of performance relative to 2019. Only France manages to regain or even exceed its pre-Covid attendance level (+1.3). Amongst the countries of Southern Europe, Portugal, which was a little further behind, has more or less recovered its performance (-0.4%). The return of the leisure and foreign clientele is therefore confirmed.

But the good surprise also concerns the Netherlands and Germany. Until then, both countries were still well impacted by the crisis with significant delays in performance (between -20 and -30% of RevPAR still in April), and therefore showed a delay of only -3.5% and -5.4% in May compared to May 2019. The replanning of summits and conferences in particular in Amsterdam and numerous trade fairs throughout Germany have enabled both countries to return close to normal attendance rates (<-10%) and average prices above May 2019 (+5 to 7%).

Although the delay is still considerable due to a less powerful domestic market, Austria, Belgium, Luxembourg and Switzerland are following the same trend as their dutch and german neighbours, at their own pace.

It is in the Eastern countries that performances are still the furthest from pre-Covid norms: the Czech Republic is still posting -29.2% RevPAR, while Latvia recorded a gap of -30.9% in May. Both countries are still struggling to recover their occupancy rates but also to put pressure on average prices.

With the return of international customers, all ranges performed better than in 2019: the budget range posted +11.2% RevPAR, the top range +7.7% and the economy and mid-range ranges an increase of 3 to 4%. While prices show increases relative to 2019 for all segments, only the budget one managed to surpass its pre-Covid occupation rate.

So, if the take-off is going smoothly for some, others such as France fell ten feet tall ?

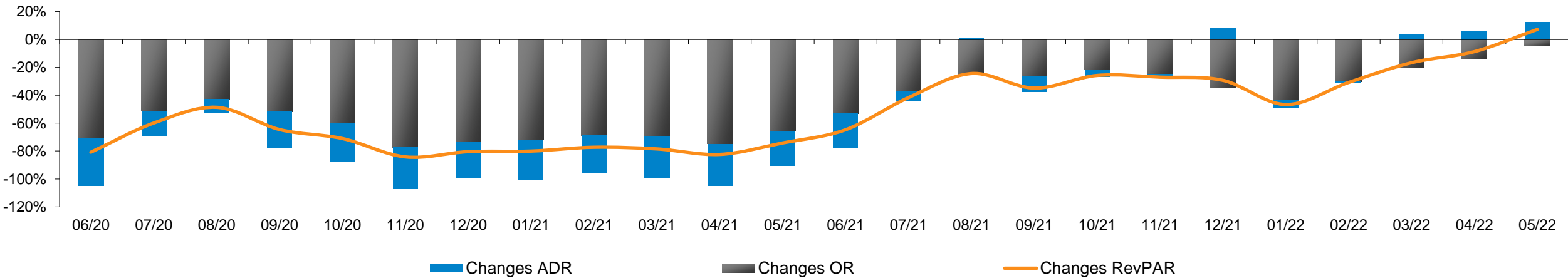
HOTEL RESULTS BY SEGMENT IN EUROPE – MAY 2022 vs MAY 2019

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	0,6	5,9%	6,7%
3*	-2,2	10,8%	7,4%
4*	-5,8	11,3%	2,9%
5*	-4,5	30,3%	22,1%
Global	-3,4	12,5%	7,3%

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-8,7	1,4%	-11,6%
3*	-12,0	4,1%	-14,2%
4*	-17,7	4,6%	-22,1%
5*	-17,9	26,6%	-7,4%
Global	-14,1	4,8%	-16,9%

Note : The indicators are compared to the same period of 2019, i.e. MAY 2022 vs MAY 2019

OR, ADR and RevPAR change - Last 24 months

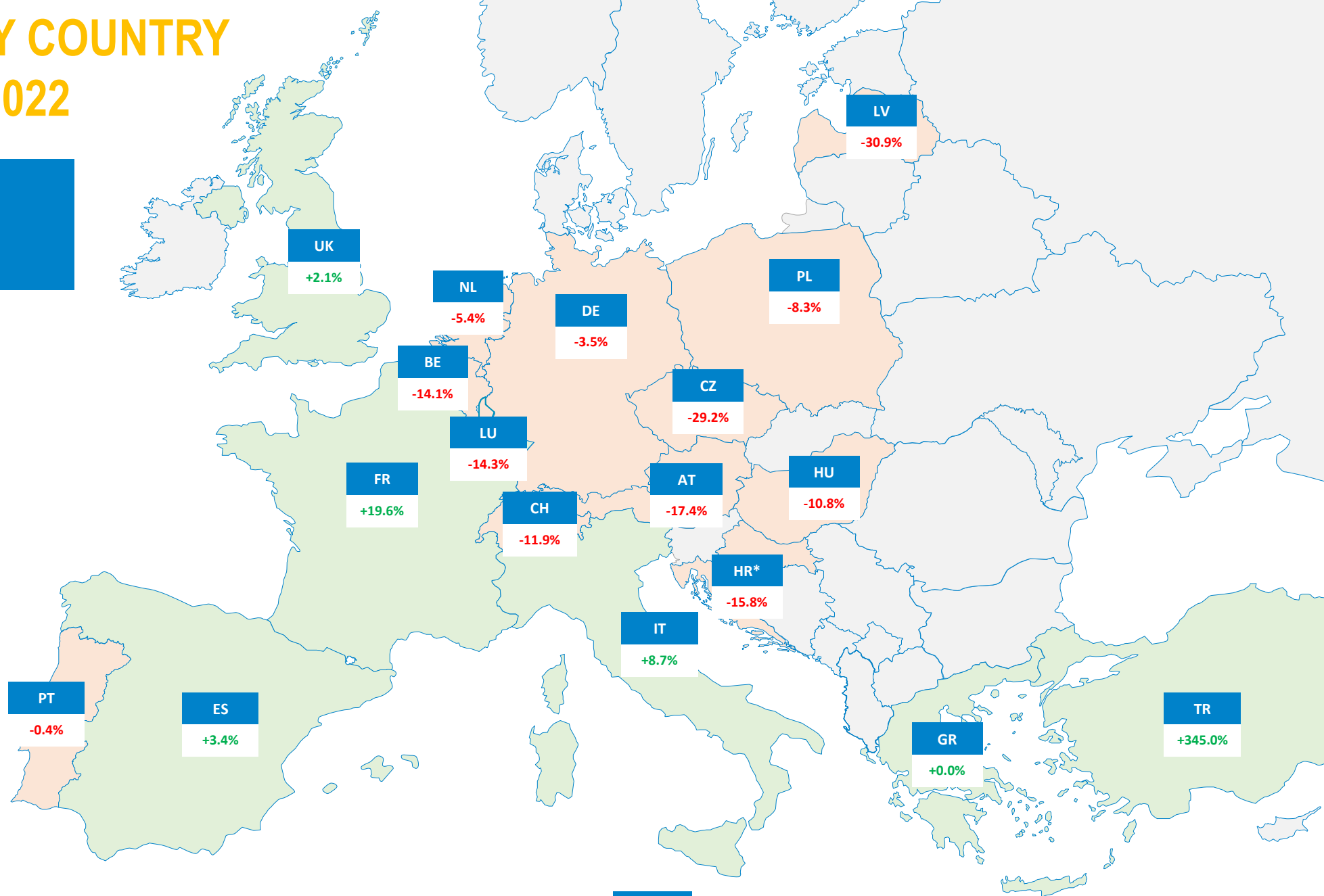
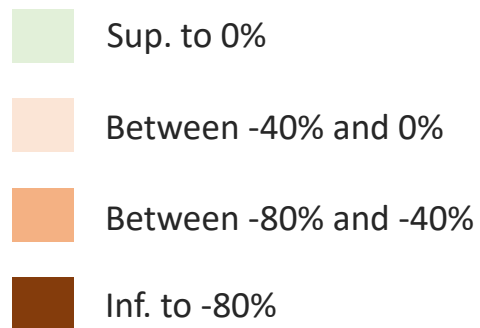


Note: starting from MAY 2021, the variation is compared to Y-2

HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2022

Monthly Results - RevPAR
change by country
MAY 2022 vs MAY 2019

European
average
+7.3%



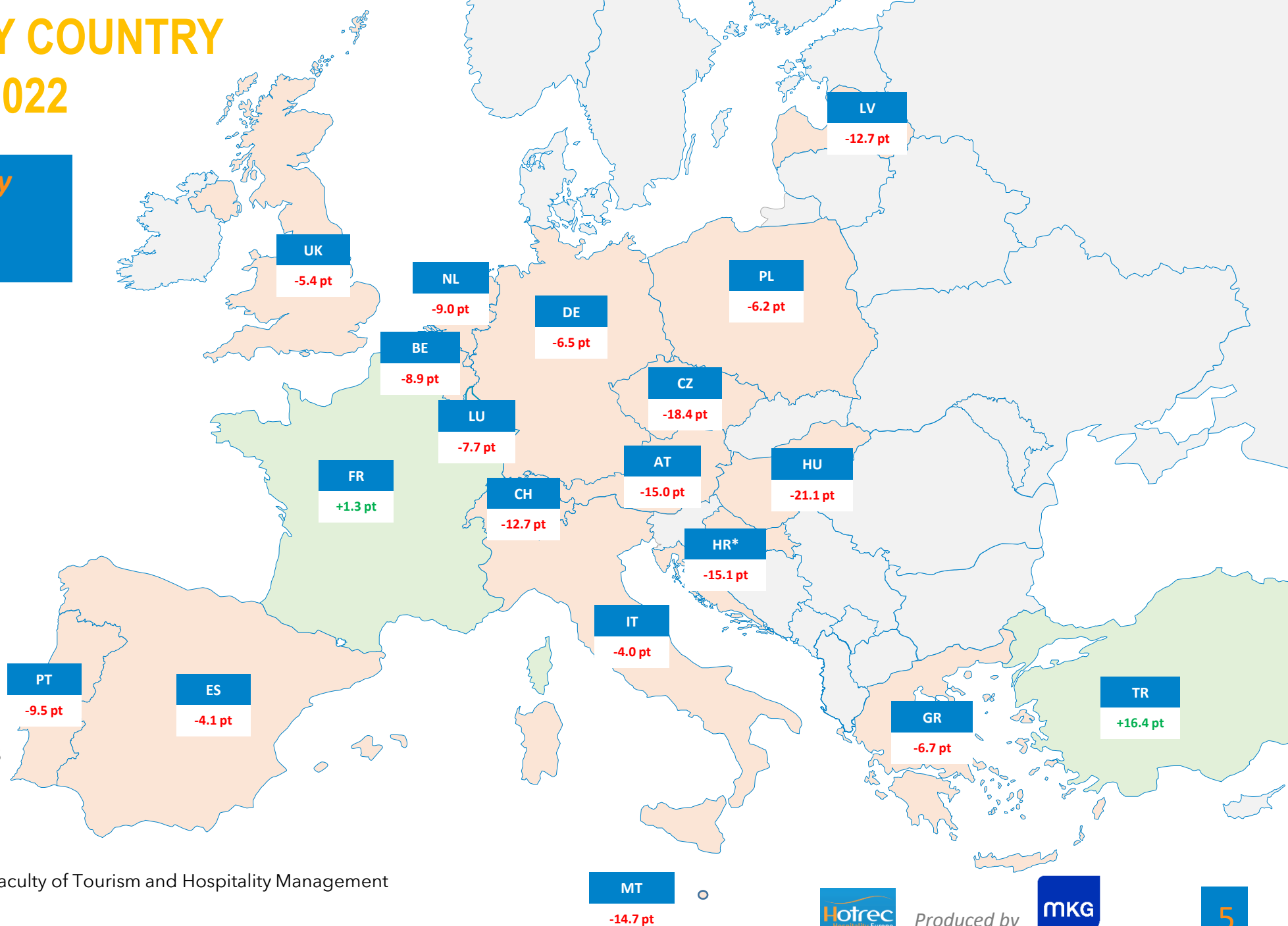
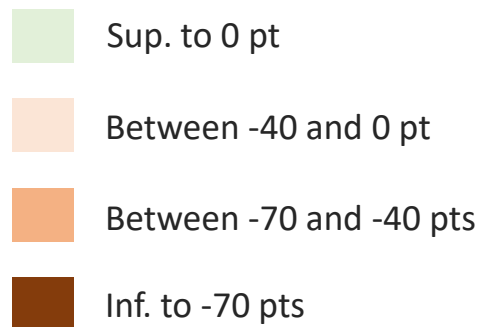
*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2022

*Monthly Results – Occupancy
Rate change by country
MAY 2022 vs MAY 2019*

European
average

-3.4 pt

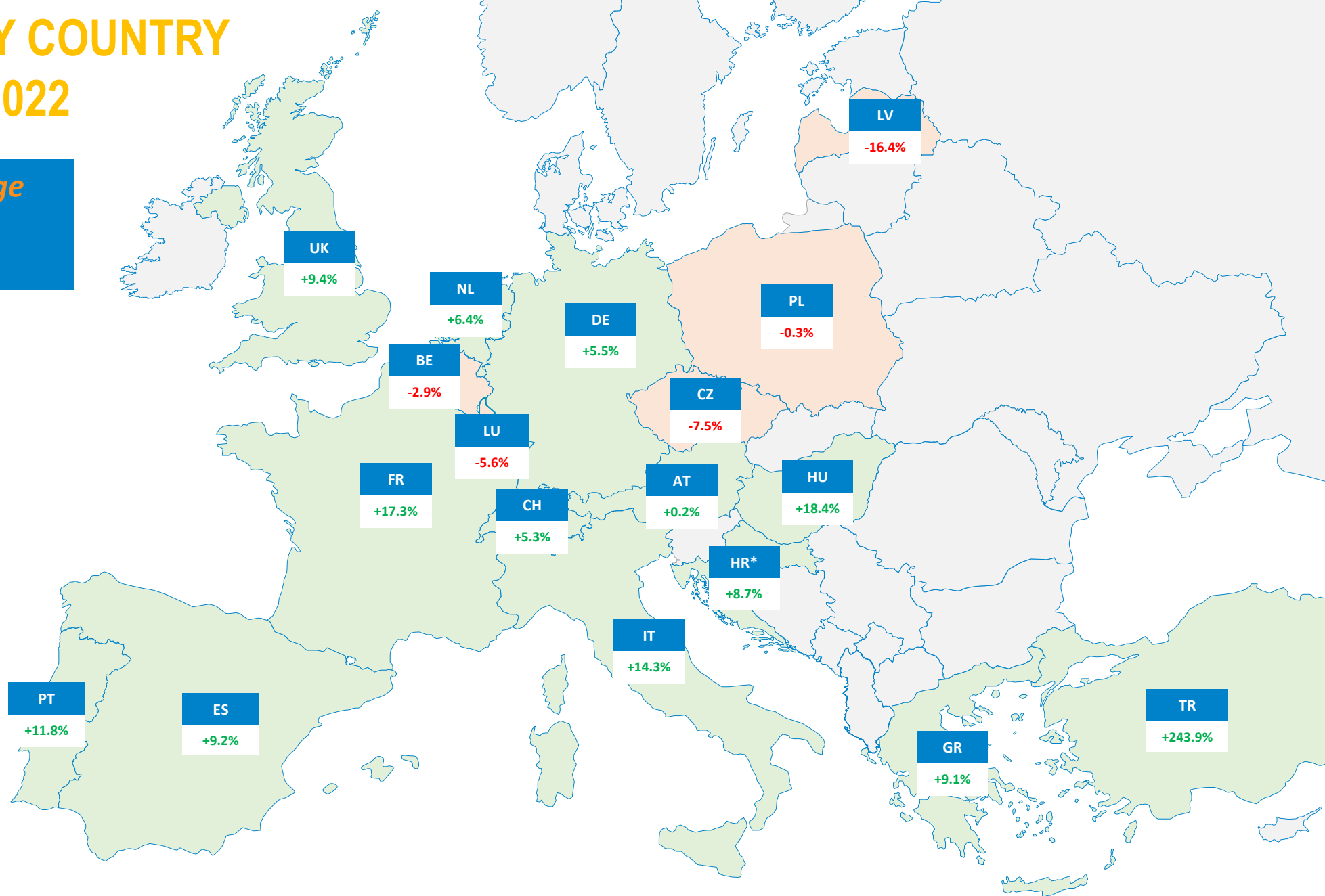
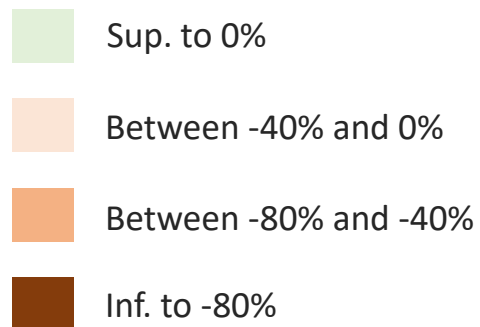


*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2022

Monthly Results - ADR change
by country
MAY 2022 vs MAY 2019

European
average
+12.5%

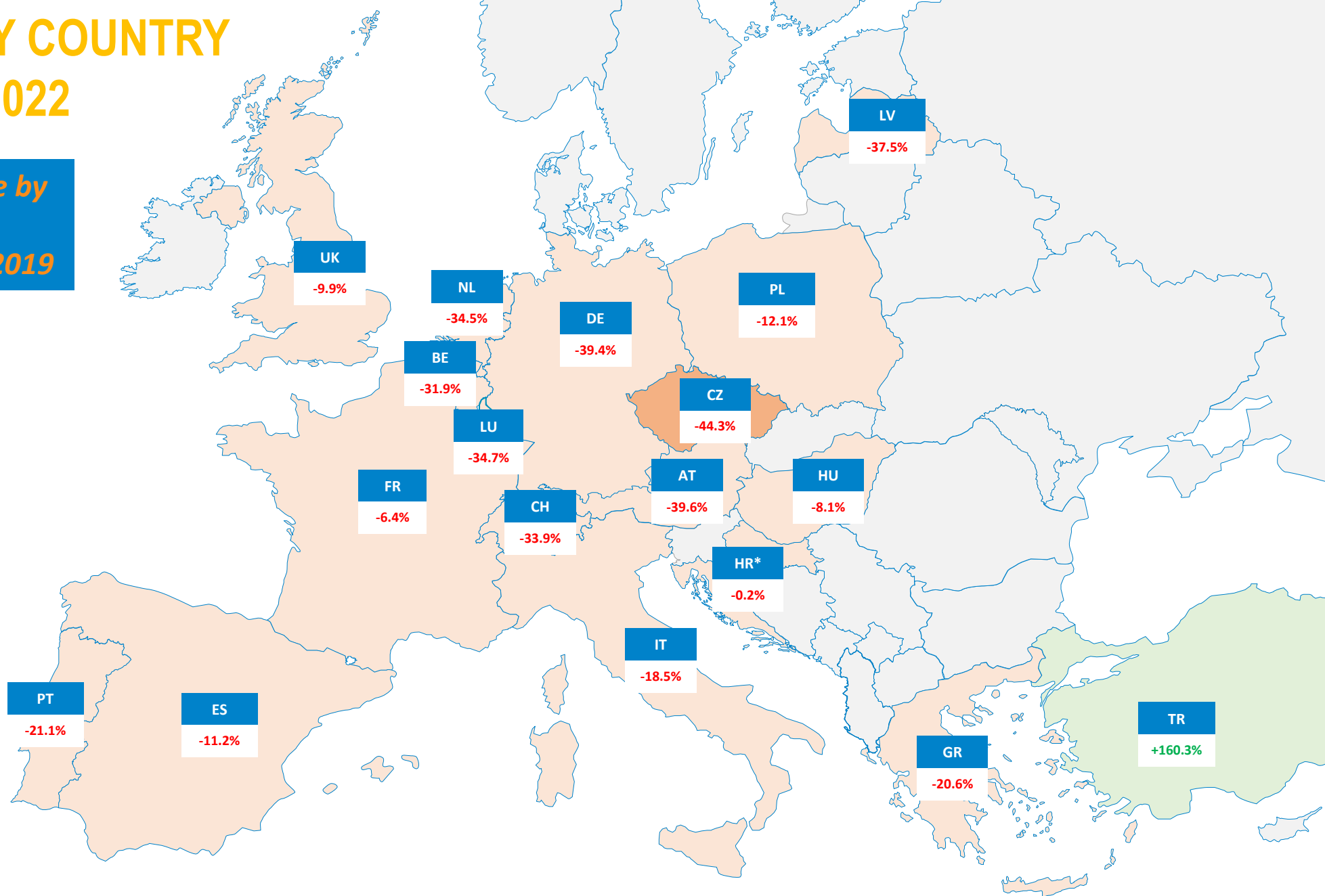
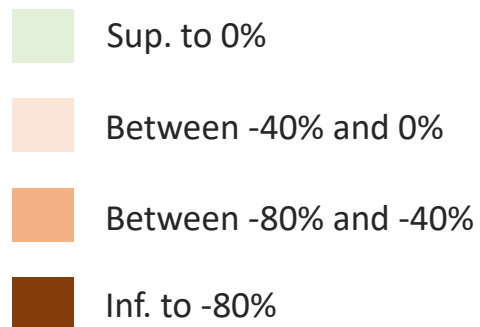


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HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2022

*YTD Results - RevPAR change by
country
YTD MAY 2022 vs YTD MAY 2019*

European
average
-16.9%

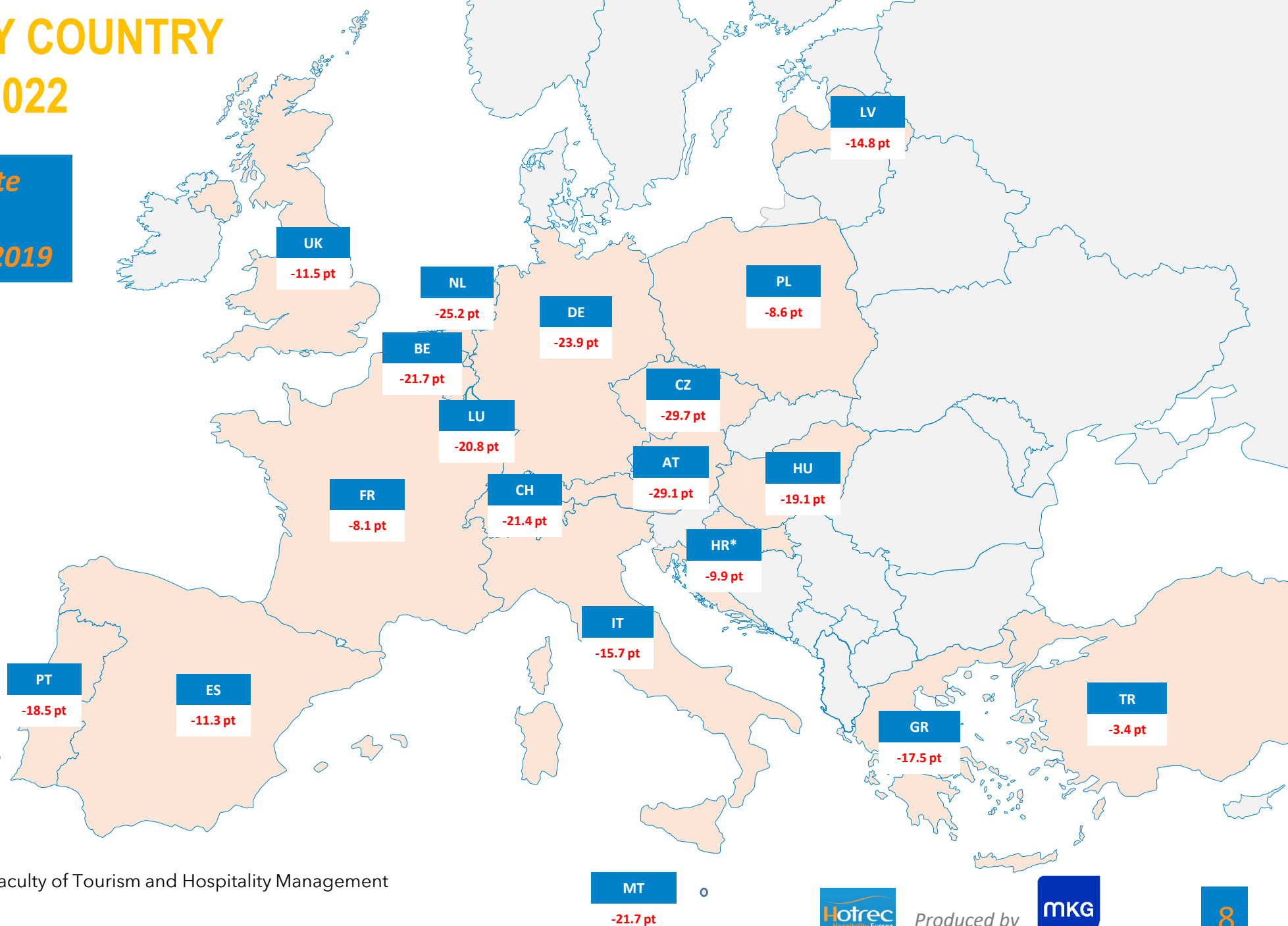
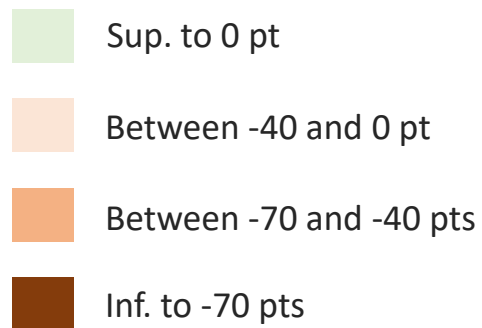


*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2022

*YTD Results – Occupancy Rate
change by country
YTD MAY 2022 vs YTD MAY 2019*

European
average
-14.1 pt

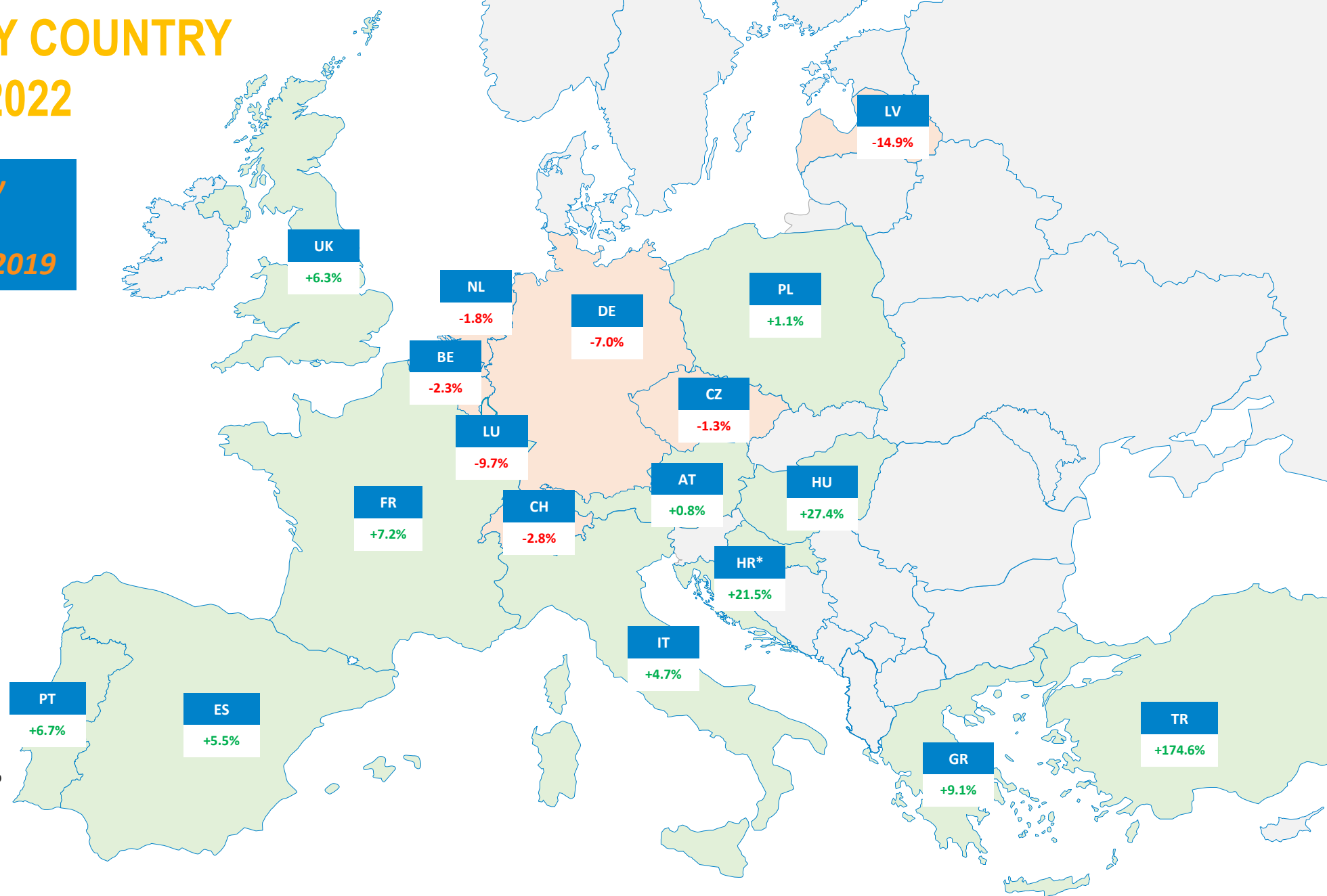
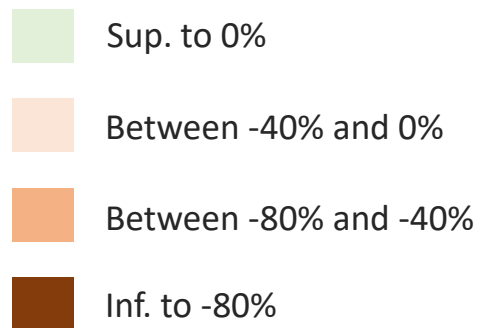


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HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2022

*YTD Results - ADR change by
country
YTD MAY 2022 vs YTD MAY 2019*

European
average
+4.8%



*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

METHODOLOGY

1 Conventions

The report presents the results of corporate brand hotels in Europe. The sample consists of a total of more than 6,500 hotels, representing more than 800,000 rooms. The breakdown by segment is as follows: 30% for Budget and Economic hotels, 30% for midscale hotels and 40% for upscale hotels.

Hotels are classified according to the hotel star system: from 1* to 5*. The category of corporate chain hotels are allocated individually according to MKG Hospitality's market expertise and reflect the "marketing classification" in complement to the official rating system(s) of the country (if any). The category breakdowns for global supply are taken from MKG Hospitality's database and from information provided by statistical and/or hotel industry institutions (e.g. associations, unions).

2 Glossary

- **Occupancy rate:** Number of sold rooms divided by number of available rooms
- **Average daily rate:** Room revenue divided by number of sold rooms
- **RevPAR:** Occupancy rate x average daily price or room revenue divided by available rooms
- **Available rooms:** Capacity x number of operating days (within a month)
- **Sold rooms:** Capacity x number of operating days x occupancy rate
- **Room revenue:** Room revenue expressed net of VAT (excluding other types of revenue such as food and beverage, etc.)

